



LAND ACQUISITION AND RELOCATION

All recipients of a State Revolving Fund Loan involving eligible land acquisition shall comply with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970. This act governs the recipient's acquisition of real property as outlined in 49 CFR Subpart B. The following is an abbreviated informational sheet to help loan recipients determine if the acquisition is subject to the Uniform Act.

Acquisitions not subject to the Act:

1. Temporary easements.
2. Acquisitions from another public agency.
3. Any voluntary acquisitions as defined in 49 CFR Subpart B 24.101(a)(1).

Acquisition Procedures

1. **Expeditious Acquisition:** Every responsible effort shall be made to acquire the property quickly, courteously and fairly by negotiation.
2. **Notice to Owner:** The owner shall be notified of the interest in the property, as well as the protections to which the owner is entitled. Evidence of actual title ownership must be established before making notification.
3. **Appraisals –** The property must be appraised before negotiations are opened, unless the property is being donated. All appraisals must meet the criteria outlined in 49 CFR Subpart B 24.103, and each appraisal shall be reviewed as outlined in 49 CFR Subpart B 24.104.

As stated in 49 CFR Part 24, Subpart B 24.102 (c)(2), an appraisal is not required if the owner is donating the property and releases the agency, or in this case the loan recipient, from this obligation. A waiver must be completed and executed by signature of the property owner who is donating the property.

Subpart B 24.102 (c)(2) also states that an appraisal is not required if the valuation problem is uncomplicated and the fair market value is determined to be less than \$10,000.00. This determination must be based on a review of available data.

4. **Just Compensation –** The amount believed to be just compensation for the real property must be established. The amount cannot be less than the appraisal. Once just compensation is determined, an offer can then be made. Only land integral to the treatment process is eligible under the Clean Water State Revolving Fund. Only land obtained from a willing seller is eligible under the Drinking Water State Revolving Fund Program.

5. Summary Statement – A summary statement must be provided with the initial written offer. It must include the amount offered plus any damages to the remaining property that may occur if only a partial purchase is made, a legal description, the actual interest in the property, and any buildings, structures or equipment considered to be part of the real property. Any tenant-owned improvements shall be addressed by the procedures outlined in 49 CFR Subpart B 24.105.

Acquisition Negotiation Procedures

1. Discussion of the Offer – A reasonable effort must be made to contact the owner and discuss the offer. The incidental expenses outlined in 49 CFR subpart B 24.106 shall also be discussed. Incidental expenses include recording fees, transfer taxes, documentary stamps, evidence of title, boundary surveys, legal descriptions and the pro-rated portion of any prepaid real property taxes that are incurred after effective possession has been made or the property title has been obtained, whichever is earlier.
2. Owner Response - The owner shall be given a reasonable time to consider the offer and provide material to show reason for asking for a greater amount than that offered. The material supplied by the owner shall then be considered.
3. Updating the Offer of Just Compensation – If cause is found to adjust the price of the property, the offer of just compensation must be updated. This must be done by updating the existing appraisal or by performing a new appraisal.
4. Coercive Action – No coercive action shall be taken in order to induce an agreement on the price paid for the property.
5. Administrative Settlement – The purchase price may exceed the amount offered as just compensation when negotiations are failing and the combined cost involved in condemnation of the property, including estimated legal expenses, is significantly more than the amount offered. This must be done in a written report that justifies the settlement.
6. Payment Before Taking Possession – Before taking possession of the real property, the buyer shall pay the agreed upon purchase price to the owner. In the case of condemnation, a deposit of the purchase price shall be made with the court.
7. Reimbursement to the Owner – The owner shall be reimbursed for all expenses incurred during the transfer of ownership. If condemnation was necessary, all legal, engineer and appraisal expenses incurred because of such proceedings shall be reimbursed.
8. Donation – In the event of donation of property, the agency is responsible for all expenses incurred during the transfer of ownership and reimbursement to the owner shall be made, if needed.

Land Acquisition Flow Chart

